

Bernard M. Sencer, AAA, ASA
SENCER APPRAISAL ASSOCIATES, INC.

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June 24, 2003

Arkansas Department of Environmental Quality
Hazardous Waste Division
Attn: Bob Hampton, Fiscal Officer
8001 National Drive
Little Rock, AR 72209

Dear Sir:

Re: CEDAR CHEMICAL COMPANY
49 Phillips Road (Route 311) West Helena, AR 72342

Enclosed are two copies of our MACHINERY AND EQUIPMENT
APPRAISAL report covering the items that you asked us to appraise
as of June 2003 the values are as follows:

	<u>Replacement Value</u>	<u>Fair Market Values</u>	<u>Orderly Liquidation Value</u>
Used, "as is" movable Value		\$4,031,747.00	
PLUS: In Place Costs		<u>1,140,810.00</u>	
Fair Market Value In Place		\$5,172,557.00	
GRAND TOTALS	\$25,016,415.00	\$5,172,557.00	\$1,906,114.00

This report is written in conformity with the Uniform Standards of Professional Appraisal Practice initially published October 27, 1987 (Standards and Statements most recently revised January 2003) with Advisory Opinions published through September 16, 1998 by The appraisal Foundation; and in accordance with the supplemental standards: Principles of Appraisal Practice and Code of Ethics authorized June 30, 1968 and most recently revised October, 1994 by the American Society of Appraisers.

Sencer Appraisal Associates, Inc. has retained a copy of this report, photographs, and the original notes from which it was prepared. These records will be kept confidential and we will not permit access to them by anyone without your authorization. Similarly, it is the firm's policy not to disclose the names of any clients (unless authorization is granted) for a period of seven years from the appraisal date. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless arrangements are made; within a reasonable time in advance.

It has been a pleasure serving you.

Respectfully submitted,

Bernard M. Sencer

Bernard M. Sencer,
Senior Appraiser



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